

CUSTOM MANUFACTURING AGREEMENT

Between

THE B.F. GOODRICH COMPANY

and

CEDAR CHEMICAL CORPORATION

9339371



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CUSTOM MANUFACTURING AGREEMENT

THIS AGREEMENT dated as of the 2nd day of July, 1990, by and between The B.F. GOODRICH COMPANY, a New York corporation, through its Specialty Polymers and Chemicals Division, having offices at 6100 Oak Tree Boulevard, Cleveland, Ohio 44131 (hereinafter called "BFG"), and CEDAR CHEMICAL CORPORATION, a Delaware corporation, having offices at 5100 Poplar Avenue, Memphis, Tennessee 38137 (hereinafter called "CEDAR");

WITNESSETH:

WHEREAS, BFG desires to have CEDAR manufacture dicyclopentadiene ("DCPD") comonomer formulations exclusively for BFG, using BFG proprietary information, meeting the specifications attached hereto and made a part hereof as Exhibit A (hereinafter called "Product"); and

WHEREAS, CEDAR, an experienced toll manufacturer, is willing to convert, at CEDAR'S facility located in West Helena, Arkansas (the "Facility"), Raw Materials into Product exclusively for BFG, upon the terms and conditions hereinafter provided;

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, it is hereby agreed between the parties hereto as follows:

ARTICLE I - SUPPLY OF TECHNOLOGY, RAW MATERIALS AND CONVERSION

(a) The BFG proprietary technology that BFG will provide to CEDAR includes, but is not limited to, the detailed process steps in Exhibit B as well as the specifications for Raw Materials in Exhibit C (the "Raw Materials"), the Product, and the process technology. BFG shall make available to CEDAR, during start-up, personnel sufficiently skilled to teach or transfer its technology to CEDAR'S personnel.

(b) BFG, at its own expense and risk, shall deliver all Raw Materials (except nitrogen), labels and packaging supplies necessary for the manufacture of Product to CEDAR at CEDAR'S Facility at such times and in such quantities as will enable CEDAR to meet BFG's orders for Product.

(c) CEDAR will convert such Raw Materials into Product subject to the terms and conditions of this Agreement.

(d) This Agreement has four (4) phases: (i) Trial Run; (ii) Scale-up Runs; (iii) Initial Commercial Runs, and (iv) Commercial Runs. It is the parties' joint intention to produce in specification Product in all phases of the Agreement.

(i) In the Trial Run, CEDAR will make best efforts to deliver to BFG approximately 15,000 to 20,000 pounds of Product that meets the specifications in Exhibit A.

(ii) In the Scale up Run(s), both parties will make best efforts to optimize productivity to bring product cost into a commercial range. Feed blend overheads will be recycled, and the parties will use their best efforts to optimize yield.

- (iii) Initial Commercial Runs will commence on the run after the first Scale up Run that averages 20,000 pounds of Product per day. A mutually acceptable initial standard yield will be set for Initial Commercial Runs. Both parties will use their best efforts to quickly optimize standard yield and productivity and reach the targeted productivity rates. Conversion fees will be adjusted to a per pound basis in this phase as set forth in Article IV. Standard Yield and productivity shall be set forth in Exhibit G to this Agreement.
- (iv) Commercial Runs will commence on the run after the first Initial Commercial Run that averages the target goal of 40,000 pounds of Product per day, or when it is mutually agreed that productivity has reached a practical level. Conversion fees will be calculated as set forth in Article IV and documented in Exhibit G.

(e) Initial Commercial and Commercial Runs will include a mixture of different types of Product formulations, as will be initially set forth in Exhibit A. Additional Product formulations may be added to Exhibit A from time to time by mutual agreement. Similar Product formulations, which include but are not limited to carbon black "B" formulations, "A" formulations with varying alcohol ratios, DCPD trimer formulations, and the feed blend itself as a Product, will be toll manufactured at the same fee as determined for Product, as set forth herein, unless the cost to produce such additional Product formulations would be significantly greater than the cost to produce Product. CEDAR will have the opportunity to review these formulations before they are added.

It is not CEDAR'S intention to change the toll fee for every minor modification in the process. From what CEDAR knows today, the additional Product formulations described in this paragraph will not change CEDAR'S operating costs and therefore, will not change the tolling fee paid to CEDAR.

(f) Once the Initial Commercial Run period begins, in CEDAR'S invoice for each month, production below the agreed-upon Yield shall be credited to BFG in an amount equal to the cost of excess Raw Materials consumed as provided in Article IV, Section (h). If CEDAR exceeds the agreed upon Yield, then CEDAR will be paid by BFG an amount equal to one-half (1/2) the cost of the Raw Materials saved thereby.

(g) If, following good faith negotiations, the parties cannot agree upon the standard Yield and productivity to become Exhibit G at the end of the Scale-up Runs, this Agreement will automatically terminate and CEDAR will retain plant modifications. CEDAR will return to BFG BFG loaned equipment installed in connection with plant modifications hereunder.

(h) Nitrogen will be purchased by CEDAR that meets the specifications in Exhibit C. BFG will reimburse CEDAR for the actual cost of the nitrogen plus 5%. CEDAR will install a meter to account for the quantity of nitrogen utilized in the conversion process. CEDAR will work with BFG and review procedures and processes to minimize nitrogen usage. CEDAR will use its best efforts to obtain low cost nitrogen. BFG acknowledges that CEDAR has an existing nitrogen supply contract with Air Products until 1992 which sets this cost based on usage. CEDAR'S recent average cost of nitrogen is \$0.44 per 100 cubic feet and expectations are that this average cost will continue. In any event, CEDAR will charge BFG no more than \$0.55 per 100 cubic feet for nitrogen used by CEDAR in performing this Custom Manufacturing Agreement.

(i) CEDAR shall supply, at its own expense, all materials (other than Raw Materials, labels and packaging supplies), labor, energy, non-hazardous aqueous waste treatment, and handling which are necessary to convert Raw Materials into Product as aforesaid.

(j) CEDAR will dispose of wastes generated by the conversion process at a location approved by BFG. CEDAR will recommend a disposal site, be responsible for arranging transportation to the waste disposal site, and maintaining the required records of such disposal.

CEDAR will dispose of wastes generated under this Agreement only at waste disposal sites approved in advance by BFG, and BFG will pay for such disposal costs upon billing by CEDAR. For wastes created through the operational fault of CEDAR (i.e., off-specification, operator error, etc.), CEDAR will be responsible for the costs of such disposal. Such disposal sites must be approved in advance by BFG. CEDAR will work with BFG to optimize procedures to minimize waste generated.

(k) CEDAR shall perform, at its own expense, Raw Material quality control testing, in-process quality control testing, finished Product quality control testing, and waste material testing. The quality control testing procedures to be utilized shall be in accordance with Exhibit D which may be modified from time to time by mutual agreement. CEDAR shall provide written quality control reports demonstrating whether the Product meets the specifications of Exhibit A, concurrent with shipment of Product to BFG. CEDAR will provide all quality control testing equipment, with the exception of equipment necessary to perform Janda's Test. The equipment for Janda's Test will be loaned to CEDAR for the term of this Agreement, and will be returned to BFG at the termination of this Agreement. Title to this equipment, as listed in Exhibit E, will remain with BFG, and CEDAR will execute any financing statements or other documents necessary to give public notice of such ownership.

(l) Except as otherwise stated in this Agreement, CEDAR shall have the sole responsibility to provide suitable manufacturing equipment, personnel, and manufacturing practices capable of manufacturing Product from Raw Materials to meet the specifications of Exhibit A.

(m) CEDAR will provide warehouse space at CEDAR'S facility for storage of Raw Materials, including packaging supplies, for BFG's next scheduled production run. CEDAR will provide warehouse space to BFG at CEDAR'S facility for work in-process to enable CEDAR'S quality control testing to be completed. CEDAR will then certify that the finished Product

meets the specifications of Exhibit A, and CEDAR will deliver such Product to BFG at CEDAR'S warehouse. BFG will then transfer the Product to BFG's customers, or to an independent warehouse, at BFG's cost. CEDAR will provide best efforts in assisting BFG in developing a contract with a local public warehouse.

(n) BFG will, during the term hereof, initially loan two (2) pieces of equipment as described in Exhibit F to CEDAR, to be used solely in the conversion of Product for BFG. This equipment will be returned to BFG at the termination of this Agreement. Title to this equipment will remain with BFG, and CEDAR will maintain labels on the equipment indicating BFG's ownership. CEDAR will execute any financing statements or other documents necessary to give public notice of BFG's ownership interests. CEDAR grants to BFG a security interest in such equipment to the extent necessary to perfect BFG's ownership interest. CEDAR shall provide all routine maintenance that these two (2) pieces of BFG-owned equipment may require.

(o) CEDAR shall, with technical assistance from BFG, proceed with such prestart-up and start-up activities as may be approved in advance by BFG for the purpose of establishing the utility of the BFG technology in CEDAR'S plant. The cost for such studies, including the disposal of waste, shall be invoiced and paid as provided in ARTICLE IV.

(p) If the parties agree to make processing changes at any time during this Agreement, if these processing changes require the use of existing equipment already installed in CEDAR'S Unit 1 and identified in Exhibit H, there will be no additional conversion fee solely by reason of the use of such additional equipment. Plant modifications above and beyond those noted in Article IV will be reviewed for merit by both parties and paid for by the party that received the advantage of the modification or shared by both parties if the advantage is shared. If such changes result in the need for additional equipment in addition to Unit 1, BFG will loan such equipment to CEDAR, at no cost to CEDAR. Such additional equipment will be added to Exhibit F, and governed by the terms stated in Paragraph I(n) above.

ARTICLE II - TERM OF AGREEMENT

The term of this Agreement shall be for an initial period of three (3) years, commencing on the date of execution of this Agreement. Year 1 commences on the day of execution and is 12 months in length. This Agreement will continue thereafter from year to year, unless and until terminated by either party giving at least one (1) year's advance written notice, to be effective at the end of the initial three year period or any extended period.

ARTICLE III - SCHEDULING

(a) BFG will give CEDAR a rolling one year forecast of its anticipated manufacturing requirements, revised monthly. CEDAR will produce Product ordered by BFG subject to the terms and conditions hereof.

(b) CEDAR will tentatively schedule BFG runs at 60 day intervals.

(c) BFG and CEDAR will communicate as necessary to keep each informed of schedule/demand status.

(d) Year 1 schedule is estimated at 6 runs. Year 2 schedule is estimated at 4-6 runs. Year 3 schedule is estimated at 4-6 runs.

(e) The duration of each run is estimated to be 10 days to 3 weeks, and will depend upon demand for Product.

ARTICLE IV - FEES

(a) Minimums.

(i) BFG agrees to pay CEDAR a minimum of \$100,000 in Year 1, excluding nitrogen, plant modification, and waste disposal costs. This includes a minimum of \$70,000 for the first run only, and a minimum of \$100,000 thereafter for each additional run in Year 1.

- (ii) CEDAR will have the right to terminate this Agreement at the end of Year 1 unless thirty days prior to the end of Year 1, BFG makes a commitment to pay CEDAR a minimum of \$400,000 in Year 2, excluding nitrogen, plant modification, and waste disposal costs. This includes a minimum of \$100,000 per run.
- (iii) CEDAR shall have the right to terminate this Agreement at the end of Year 2, unless thirty days prior to the end of Year 2, BFG makes a commitment to pay CEDAR a minimum of \$600,000 in Year 3, excluding nitrogen, plant modification, and waste disposal costs. This includes a minimum of \$150,000 per run.

(b) Trial Run and Scale-Up Runs. For the Trial and Scale-up Runs, BFG will pay CEDAR a flat rate conversion fee of \$10,000 per day, with no per-pound additional fee.

This per diem charge will cover all processes necessary to convert Raw Materials to Product, including "Clean Up" and "Plant Preparation." "Clean Up" is defined as the time beginning when Product is completely drummed out of the reactor to the time the vessels have been cleaned. "Plant Preparation" is defined as time during which a substantial number of the operating and support staff are working on tasks specifically to prepare for a run. These tasks typically include: (1) operator training in the classroom during which operating and safety procedures are reviewed, (2) training in the production unit when the operational team simulates the production steps in the absence of the process chemicals, (3) calibration and testing of analytical instruments prior to commencement of production. Clean Up and Plant Preparation is estimated to take 1 to 1-1/2 days, but shall not take more than 3 days. CEDAR will use its best efforts to keep Clean Up and Plant Preparation to one day or less. It is expected that Plant Preparation and Clean up time will be reduced as experience is gained. For each Trial and Scale-up Run, CEDAR'S charge for Plant Preparation and Clean Up shall not exceed \$30,000 in Year 1 and shall not exceed \$15,000 in Year 2 and thereafter. The minimums for each run specified in Article IV(a) include Plant Preparation and Clean Up.

(c) Initial Commercial Runs. The first Scale-up Run that averages 20,000 pounds of Product per day for the run (excluding Clean up and Plant Preparation time) signifies two things: (i) the following run will begin the Initial Commercial Run phase and (ii) the conversion fee will change from a per diem to per pound of Product basis. The per pound conversion fee for the first Initial Commercial Run will be \$10,000 per day times the number of Production, Plant Preparation and Clean up days divided by the total pounds of Product produced during the final Scale-up Run. For purposes of charging production days, "Production Days" are defined as follows: the start of production is defined as the day when Raw Materials (DCPD) enter the reactor. The end of production is defined as the day when Product is completely drummed out of the reactor. Any scheduled delays in Clean Up and Plant Preparation will not be charged to BFG. Once the Initial Commercial Run phase has begun, only this dollar per pound conversion fee will be paid; no further per diem fees or charges (such as the \$15,000 per diem Plant Preparation and Clean up fee) will be paid. A mutually acceptable standard Yield along with the per pound conversion fee will be set forth in Exhibit G at that time. After each Initial Commercial Run, the average production rate will be calculated. The conversion fee and standard Yield will be recalculated as set forth above at the completion of each run and will be the rate charged to BFG for the next run. These recalculated conversion fees and standard Yields will be set forth in an updated Exhibit G.

(d) Commercial Runs. When an Initial Commercial Run averages 40,000 pounds of Product per day, or BFG and CEDAR agree practical productivity has been reached, the next run and succeeding runs will be Commercial Runs. The Commercial Run conversion fee will be based upon the Standard Yield and conversion fee established in the last Initial Commercial Run as set forth in Exhibit G. During the Commercial Run phase, both parties will continue to explore enhancements to productivity. BFG must give approval before any changes to the process are made. The cost reductions resulting from any enhancement to productivity will be shared 50/50 by the parties.

(e) BFG reserves the right to return to the per diem charge prior to any production run at any time during the term of this Custom Manufacturing Agreement.

(f) Process Changes. When BFG and CEDAR agree a significant process change has occurred, by mutual agreement the conversion fee will return to the per diem rate of \$10,000/day for that Trial Run. The conversion fee will return to a fee per pound of Product once CEDAR and BFG mutually agree the process is reproducible.

(g) Facility Modifications. BFG shall pay CEDAR its actual costs up to \$45,000 to modify the Facilities for the Trial Run, and its actual costs up to an additional \$75,000 to modify the Facilities for Scale-up and Commercial Runs. All of CEDAR'S Processing Unit 1 as defined in Exhibit H will be made available for all runs. Initial modifications for the Trial Run include one (1) 3,000 gallon and two (2) 1,500 gallon glass lined vessels plus surrounding lines, scrubbers, instrumentation, and Guillocutter installation. Scale-up and Commercial Runs modifications include two additional vessels (1 - 3,000 gallon and 1 - 1,500 gallon), molecular sieves, Panometric moisture analyzer installation, and a revised, more permanent Guillocutter installation. Drums, tote bins and/or tank trucks will be used for packaging the Product in Commercial Runs. This will be included in the per diem charge or per pound charge. BFG will be provided with a detailed account of proposed modifications for approval prior to those modifications being made. BFG payment to CEDAR will be made at the time modifications are completed.

(h) Invoices. CEDAR shall invoice BFG on a monthly basis. BFG shall pay all invoices on a net basis within 30 days of receipt of invoice. Such invoices shall include credits (or charges) to BFG for Yield adjustments to correct for any losses (or gains) as specified in Article I Section (f).

ARTICLE V - CEDAR'S RESPONSIBILITIES

(a) CEDAR will make its best efforts to produce a total of 15,000 to 20,000 pounds of Product during the Trial Run.

(b) CEDAR will use its best efforts to begin the Trial Run on or before July 16, 1990, subject to BFG approval of necessary facility modifications in accordance with Article IV(g).

(c) CEDAR shall provide BFG a two week notice of the Trial Run and subsequent scheduled production. BFG shall have the right upon reasonable notice during normal business hours to have one or more representatives (including representatives of its customers) in CEDAR'S plant for any reason pertaining to this Agreement.

(d) CEDAR warrants Product made during the Initial Commercial and Commercial Run phases of the Agreement will meet the specifications of Exhibit A.

(i) Rework: Material produced during the Initial Commercial or Commercial Runs that does not meet the specifications of Exhibit A but can be reworked, will be reworked at a mutually accepted time at CEDAR'S expense and no per diem or per pound conversion, Clean Up or Plant Preparation fee will be charged for rework.

(ii) Scrap: Material produced during the Initial Commercial or Commercial Runs that does not meet the specifications of Exhibit A but cannot be reworked shall be disposed of by CEDAR at CEDAR'S expense consistent with applicable local, state and federal regulations. CEDAR will credit BFG for the cost of the Raw Materials going to such nonspecification product. CEDAR will not receive any per diem or per pound or Clean-Up or Plant Preparation fee for such nonspecification product.

(e) Customer Complaints:

Quality complaints will be evaluated by reference to samples from customer, CEDAR and

BFG. CEDAR shall provide all available processing and analytical information to BFG. Upon agreement by BFG and CEDAR that any complaint is valid and the responsibility of CEDAR, the returned goods shall be disposed of as per previously defined guidelines (i.e. rework, scrap, etc.). CEDAR shall credit BFG for any off-specification Products previously billed, including freight costs and all direct expenses of identification of the nonconforming Product.

(f) Record Keeping:

CEDAR shall maintain one copy of production records as required by good manufacturing practices. CEDAR shall supply a duplicate copy of such records to BFG no later than one week after manufacture of the Product.

(g) Quality Control Testing:

CEDAR will perform quality control testing in accordance with Exhibit D to assure that the finished Product conforms to the specifications listed in Exhibit A. CEDAR shall retain four (4) quart size samples of every lot, two (2) from the first drum and two (2) from the tenth drum. One of each of the samples shall be shipped to BFG, at BFG's cost, to be the permanently retained samples, the other sample will be retained at the Facility for a period of one (1) year. CEDAR shall not ship Product until the Product has been certified to BFG as meeting the specifications of Exhibit A.

(h) Insurance for Services Performed:

CEDAR shall be and remain during the term of this Agreement in compliance with the statutory requirements for worker's compensation and employer's liability insurance in a minimum amount of \$100,000 and, in addition, shall maintain comprehensive general liability, including contractual product liability and completed operation, and property of BFG in the care, custody and control of CEDAR, with a minimum combined limit of liability of not less than \$5 million per occurrence. The terms of coverage of such insurance shall be evidenced by certificates of insurance to be furnished by CEDAR to BFG, which certificates shall provide that

at least thirty (30) days written notice shall be given to BFG prior to expiration, cancellation or modification of any of the terms of coverage of any policy.

ARTICLE VI - TITLE AND RISK OF LOSS OF GOODS

(a) BFG shall at all times have sole title to the Raw Materials, packaging supplies, in-process materials and finished Product. CEDAR shall place prominent signs giving notice of BFG ownership in those places where BFG's goods are stored. To evidence BFG's ownership of Raw Materials, packaging supplies, in-process materials, and Product, CEDAR shall execute financing statements and such other documents as necessary to protect BFG's ownership of the Raw Materials and Product.

(b) CEDAR shall have all risk and liability for loss of or damage to the Raw Materials, packaging supplies, in-process materials, Product and BFG-owned equipment while in its custody and control, and including storage at CEDAR'S facility, but only to the extent such loss or damage does not result from BFG's negligence or that of any carrier nominated by BFG.

ARTICLE VII - AUDIT

BFG representatives shall have the right (i) to audit the production records of CEDAR, including laboratory testing records and procedures applicable solely to products produced for BFG, (ii) to physically inspect the conversion operation, and (iii) to physically inventory Raw Materials and Product in CEDAR'S possession at any time during normal business hours with reasonable notice. CEDAR agrees to provide adequate and appropriate labor and equipment to support such an audit and/or physical inventory.

ARTICLE VIII - SCHEDULING, DELIVERIES AND RECONCILIATION

(a) Product delivery schedules shall be as mutually agreed by the parties, it being the intent that such schedules shall substantially reflect the latest applicable schedule for Product deliveries specified by BFG and accepted by CEDAR.

(b) Deliveries of Raw Materials shall be made by BFG as required by CEDAR to enable it to comply with applicable Product delivery schedules.

(c) If, upon termination of this Agreement, CEDAR has in its possession Raw Materials supplied by BFG in excess of those quantities required to produce the quantities of Product to be delivered to BFG hereunder, CEDAR shall purchase such Raw Materials at a mutually agreed upon price or, if no price can be agreed upon, return such Raw Materials to BFG, F.O.B. facility.

ARTICLE IX - FAIR LABOR STANDARDS ACT

CEDAR hereby agrees that its conversion hereunder and all of its work in connection therewith shall be in accordance with all applicable requirements of the Fair Labor Standards Act of 1938, as amended, and agrees to so certify on its invoices.

ARTICLE X - FORCE MAJEURE

Neither party shall be liable for its failure to perform hereunder due to any occurrence beyond its reasonable control, including acts of God, fires, floods, wars, sabotage, labor disputes, governmental laws, ordinances, rules and regulations, and any other similar occurrence; provided, however, that obligations for and payment for Product produced and shipped shall not be relieved or suspended by any event of force majeure. The party whose performance is prevented by any such occurrence shall notify the other party thereof in writing as soon as is reasonably possible after the commencement of such occurrence, and shall promptly give written

notice to the other party of the cessation of such occurrence. The party affected by such occurrence shall use its best efforts to remedy or remove such event of force majeure as expeditiously as possible.

ARTICLE XI - OWNERSHIP OF TECHNOLOGY AND CONFIDENTIALITY

(a) Title to and ownership of all of the technology and information supplied by BFG to CEDAR hereunder shall remain in BFG. CEDAR shall have the right to use BFG's technology for the purposes of this Agreement; provided, however, that CEDAR'S right shall endure only for the term of this Agreement. After the term, CEDAR shall return to BFG all written documents relating to the technology, and all copies thereof, and shall cease any and all use of said technology.

(b) Further to subparagraph (a) above, with respect to all information which is disclosed to CEDAR, which information may include, but is not limited to, technology, manufacturing procedures, recipes, processing, marketing or customer information (collectively, the "BFG Information"), CEDAR agrees for itself and for its directors, officers, employees and representatives, to receive and hold in confidence and maintain secret each item of BFG Information which is disclosed to it by BFG or which is acquired as a result of any visit by its employees or representatives to a facility of BFG. CEDAR further agrees not to disclose any BFG Information to any third party nor use the same for the benefit of anyone other than BFG unless specifically authorized in writing by BFG. CEDAR agrees to limit the disclosure of BFG Information to those of its employees who have a need to know the information, and shall instruct such employees who obtain such confidential information that such information is not to be disclosed to or used for the benefit of a third party. CEDAR warrants that its employees having access to BFG Information have each executed a written agreement obligating them to maintain BFG's Information in confidence.

(c) During the term of this Agreement, CEDAR agrees to use BFG Information solely for the purposes of this Agreement and in performing services for BFG. It is understood that no other license to use BFG Information, or under any patent thereon, is hereby granted or implied to CEDAR. CEDAR shall not use any item or items of BFG Information to manufacture for or sell to any party Product or any variant of the Product. CEDAR agrees that if BFG believes that BFG Information is being misused or improperly disclosed by CEDAR, BFG will have the right to obtain a temporary restraining order, and/or an injunction, to protect BFG from the irreparable harm that will result from CEDAR'S breach of the terms of this Article XII.

(d) The confidentiality obligations stated above shall endure for a period of twenty-five (25) years from the date of termination of this Agreement.

(e) The obligations of secrecy and confidentiality stated in the above paragraphs shall not apply to information (i) which CEDAR can prove by written documents was already known to it at the time of disclosure to CEDAR and was not obtained directly or indirectly from BFG, (ii) which is public knowledge or becomes public knowledge or is published through no fault of CEDAR, or (iii) which is disclosed to CEDAR by a third party who is not under obligation to BFG with respect to such information. Specific information shall not be deemed to come under the above exceptions merely because it is encompassed by more general information within an exception, nor shall any combination of information be excepted merely because individual items of information in the combination are excepted.

ARTICLE XII - COVENANT NOT TO COMPETE

To protect further BFG Information, and as further consideration for BFG's entering into this Agreement, CEDAR hereby represents, warrants and covenants for itself, its directors, officers, agents, employees, successors and assigns as follows:

(a) CEDAR shall not compete with BFG in development, production, manufacturing, marketing or sales of polynorbornene RIM/RTM products both during and for a period of five (5) years after the termination of this Agreement;

(b) CEDAR shall not provide custom manufacturing services for polynorbornene products to other companies during the term of this Agreement.

ARTICLE XIII - DEFAULT

Subject to the provisions of ARTICLE X (Force Majeure), if either party hereto shall fail to perform or fulfill, at any time and in the manner herein provided, any obligation or condition required to be performed or fulfilled by such party hereunder, and if such party fails to remedy any such failure within sixty (60) days after receiving written notice thereof from the non-defaulting party, the non-defaulting party shall have the right to terminate this Agreement by giving written notice of immediate termination to the defaulting party.

ARTICLE XIV - WARRANTIES

(a) CEDAR warrants that Product delivered to BFG hereunder shall meet the specifications therefor set forth in Exhibit A.

(b) BFG warrants that each of the Raw Materials supplied by BFG to CEDAR hereunder shall meet the specifications set forth in Exhibit C.

ARTICLE XV - INDEMNIFICATION

(a) CEDAR shall indemnify, protect, defend and save harmless BFG, its agents and employees from and against any and all claims, demands, judgments or causes of action including costs and attorneys' fees by any party or parties whatsoever, including employees of

CEDAR, for loss, personal injury including death, or damage of any kind either to persons or property directly or indirectly arising out of the operations performed under this Agreement except such loss, damage or injury as is caused by the sole negligence of BFG. This indemnity shall impose liability on CEDAR only to the extent permitted by the laws of the state governing performance thereof and to the fullest extent permitted and any provision hereof not permitted by such laws is expressly deleted from this Agreement. The purchase of insurance by CEDAR with respect to the foregoing shall not be construed as a fulfillment or discharge of the obligations set forth in this section.

(b) BFG shall indemnify, protect, defend and save harmless CEDAR, its agents and employees from and against any and all claims, demands, judgments or causes of action including costs and attorneys' fees by any party or parties whatsoever, including consumers and customers and employees of BFG, for loss, personal injury including death, or damage of any kind either to persons or property directly or indirectly arising out of the marketing, sales and distribution of Product under this Agreement except such loss, damage or injury as is caused by the sole negligence of CEDAR or CEDAR'S failure to manufacture Product in accordance with the specifications of Exhibit A and be free from contamination.

ARTICLE XVI - NOTICES

All notices and reports shall be sent to the receiving party at:

If to CEDAR:

Cedar Chemical Corporation
24th Floor
5100 Poplar Avenue
Memphis, Tennessee 38137
Attn: Director of Custom Manufacturing

If to BFG:

The B.F. Goodrich Company
9921 Brecksville Road
Brecksville, OH 44141
Attn: Mark Ackerman, Manufacturing Manager, Telene

With a copy to:
Attn: Business Director, Telene (same address)

All notices to be given by either party to the other pursuant to any of the terms of this Agreement shall be forwarded by registered or certified mail, return receipt requested, and shall be deemed to have been given upon the date of the mailing thereof as shown on the Post Office receipt. Notices may also be given by first class mail and will be deemed given upon receipt. Either party may at any time direct in writing that particular notices or types of notices be delivered to specific designees other than those named herein.

ARTICLE XVII - MISCELLANEOUS

(a) To the degree that either party finds it convenient to employ their standard forms of purchase order or acknowledgement of order in administering the terms of this Agreement, it may do so, but none of the terms and conditions printed or otherwise appearing on such form shall be applicable except to the extent that it specifies information required to be furnished by either party hereunder.

(b) Any assignment of this Agreement by either party without the prior written consent of the other party shall be void.

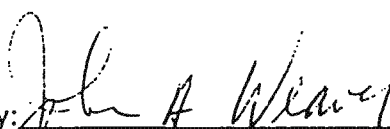
(c) The terms and conditions hereof constitute the entire agreement between the parties hereto with respect to the subject matter hereof and supersede all previous communication, either oral or written, between the parties hereto. There are no understandings, representations or warranties of any kind whatsoever, except as expressly set forth herein. A failure to exercise any right hereunder with respect to any breach shall not constitute a waiver of such right with respect to any subsequent breach.

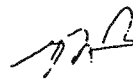
(d) The validity, interpretation and performance of this Agreement shall be governed by the laws of the State of Ohio.

(e) No amendment, modification or release from any provision hereof shall be of any force or effect unless it is in writing, signed by the party claimed to be bound thereby, and specifically refers to this Agreement.

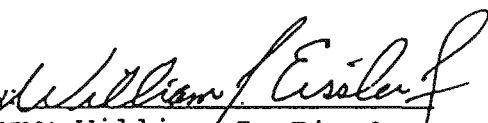
IN WITNESS WHEREOF, the parties hereunto have caused this Agreement to be executed in duplicate as of the day and year first above written.

The B.F. GOODRICH COMPANY
through its Speciality Polymers
and Chemicals Division

By: 
Name: John A. Weaver
Title: Vice President


not
Bef

CEDAR CHEMICAL CORPORATION

By: 
Name: William J. Eissler, Jr.
Title: Vice President - Organic Chemicals

7034k/bh

BFGoodrich

Specialty Chemicals

BFGoodrich Specialty Chemicals
9911 Brecksville Road
Cleveland, Ohio 44141-3247
216-447-5198

Dennis Gunson
General Manager
Telene™ Products Division

June 9, 1997

Mr. Geoffrey L. Pratt, Vice President
Cedar Chemical Corporation
5100 Poplar Avenue, Suite 2414
Memphis, Tennessee 38137

RECEIVED
JUN 24 1997
Ans'd.....

Re: Extension of Custom Manufacturing Agreement (Letter of Intent)

Dear Mr. Pratt:

This letter will serve to document the tentative agreement which we have reached regarding extension of the existing Custom Manufacturing Agreement, between The B.F. Goodrich Company ("BFG") and Cedar Chemical Corporation ("Cedar"), dated as of June 2, 1990, as amended (the "Custom Manufacturing Agreement"). As you know, the Custom Manufacturing Agreement will expire effective June 30, 1997, unless extended by mutual agreement of BFG and Cedar. BFG and Cedar have had extensive discussions in recent months regarding extension of the Custom Manufacturing Agreement. This letter sets forth the intent of the parties to negotiate an extension to the Custom Manufacturing Agreement along the lines set forth in this letter.

BFG proposes that the Custom Manufacturing Agreement be extended by negotiation of a definitive Amendment to the existing Custom Manufacturing Agreement, along the following lines:

1. The term of the Custom Manufacturing Agreement would be extended through December 31, 1998. In addition, BFG would have the option to further extend the Custom Manufacturing Agreement for an additional period of one (1) year, through December 31, 1999. In order to exercise this option, BFG would be required to give written notice of its intent to exercise the option no later than June 1, 1998.
2. The quantities of Product to be ordered by BFG from Cedar during the term of the extension would be as follows:
 - (a) For the second half of 1997, an estimated quantity of 4-5 million pounds, as further negotiated by the parties;
 - (b) For 1998, an estimated quantity of 6-8 million pounds; and

Mr. Geoffrey L. Pratt, Vice President
Cedar Chemical Corporation
June 9, 1997
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- (c) For 1999, if BFG exercises its option as described above, an estimated quantity of 7-9 million pounds.
- 3. For 1997, production campaigns would be scheduled as agreed between the parties. For 1998 and 1999, production campaigns would begin on March 1 and September 1 of each year.
- 4. Pricing for Product during the term of the extension would be as follows:
 - (a) For 1997, pricing would be determined as per the current arrangement set forth in the Custom Manufacturing Agreement;
 - (b) For 1998 and 1999, the price would be fixed at \$.26 per pound if (i) BFG orders ^{5.8} 6 million or more pounds in the applicable calendar year and (ii) if the "DCPD supply" and "Product quality" issues described in your March 31, 1997 letter to Roger LaCosse of BFG are resolved to the mutual satisfaction of both companies. If BFG orders less than 6 million pounds in the applicable calendar year or if the other issues are not resolved, pricing would be determined as per the current arrangement set forth in the Custom Manufacturing Agreement. In addition, pricing for special blends, trimers and slow gel formulations of Telene Component A would continue to be at the per diem rate (plus clean-out fees) set forth in the Custom Manufacturing Agreement.
- 5. BFG acknowledges that Cedar is currently making certain capital expenditures requested by BFG to improve the Telene production process. These capital expenditures are estimated to cost approximately \$100,000. BFG would like Cedar to continue with these capital expenditures while the negotiation of a definitive document extending the Custom Manufacturing Agreement is negotiated and executed between the parties. Accordingly, BFG hereby agrees that it shall reimburse Cedar for such capital expenditures if the parties are unable to negotiate and execute a definitive document extending the Custom Manufacturing Agreement along the lines set forth in this letter. Cedar would be required to provide BFG with reasonable documentation to support the capital expenditures made. If the parties are able to negotiate a definitive Amendment to the Custom Manufacturing Agreement along the lines set forth herein, such capital expenditures shall be the responsibility of Cedar and will be considered to have been recovered by Cedar through the pricing for Product paid by BFG under the Custom Manufacturing Agreement, as extended.

Mr. Geoffrey L. Pratt, Vice President
Cedar Chemical Corporation
June 9, 1997
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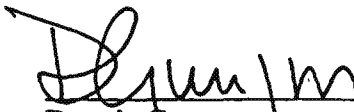
6. It is anticipated that all other terms and provisions of the Custom Manufacturing Agreement, other than as described above, would continue in full force and effect during the term of the extension.
7. It is understood and agreed that this letter constitutes an expression of the intent of both parties to negotiate in good faith a transaction along the lines set forth herein. Except to regard to BFG's commitment to reimburse Cedar for certain capital expenditures as set forth in Paragraph 5 above, the obligations of both parties are subject to negotiation and execution of a definitive Amendment to the Custom Manufacturing Agreement and this letter shall not constitute a binding obligation of either BFG or Cedar.

Mr. Geoffrey L. Pratt, Vice President
Cedar Chemical Corporation
June 9, 1997
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If the foregoing meets with your approval, please indicate your assent by signing the acknowledgment below and returning one copy of this letter to the undersigned. We will then begin preparation and negotiation of a definitive Amendment to the Custom Manufacturing Agreement.


Very truly yours,

THE B.F.GOODRICH COMPANY

By: 
Dennis Gunson
General Manager
Telene Products Division

ACCEPTED AND AGREED TO BY:

CEDAR CHEMICAL CORPORATION

By: 
Name: Geoffrey L. Pratt
Title: Vice President, Custom Manufacturing
and Specialty Chemicals
Date: June 16, 1997

2910k.wp/bh

ED_002625_00000006-00026

SECOND AMENDMENT AGREEMENT

THIS AMENDMENT AGREEMENT (the "Amendment") dated as of the 1st day of July, 1997, by and between The B.F. Goodrich Company, a New York corporation, through its Specialty Chemicals Division, having offices at 9911 Brecksville Road, Cleveland, Ohio 44141-3247 (hereinafter called "BFG") and Cedar Chemical Corporation, a Delaware corporation, having offices at 5100 Poplar Avenue, Memphis, TN 38137 (hereinafter called "Cedar").

W I T N E S S E T H:

WHEREAS, BFG and Cedar entered into a Custom Manufacturing Agreement dated as of the 2nd day of July, 1990 (the "Agreement"), as amended by Amendment Agreement dated as of the 2nd day of July, 1992, (the "First Amendment") whereby Cedar undertook to produce DCPD Co-Monomer Formulations ("Product") in accordance with the provisions of said Agreement for a term which, pursuant to prior notice from Cedar to BFG in accordance with provisions of the Agreement, ended effective June 30, 1997; and

WHEREAS, by letter agreement dated June 9, 1997 (the "Letter of Intent"), BFG proposed that the parties negotiate a new definitive agreement which would have reinstated and extended the term of the Agreement for production of additional quantities of Product for BFG during the second half of 1997, in accordance with the terms and conditions of the Agreement, and for additional quantities in 1998 and at BFG's option in 1999, at prices specified in the Letter of Intent; and

WHEREAS, BFG in its said Letter of Intent committed to reimburse certain capital expenditures totaling approximately \$100,000 incurred by Cedar at BFG's request in the event the parties were unable to negotiate a new definitive agreement for production of Product for BFG for an extended term at least through 1998; and

WHEREAS, pursuant to the aforesaid Letter of Intent, Cedar continued its production campaign pursuant to the terms of the Agreement for an extended term ending on or about November 15, 1997; and

WHEREAS, the parties now desire to reinstate and amend the terms of the Agreement and to further extend the term thereof three (3) additional calendar years (each such calendar year being sometimes referred to herein as a "Contract Year") beginning January 1, 1998 and ending December 31, 2000, all in accordance with the terms and conditions set forth in this Amendment.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

I. Extended Term: The term of the Agreement is hereby extended beginning as of January 1, 1998 and ending December 31, 2000 (the "Extended Term"). The Extended Term of the Agreement will continue thereafter from year to year unless and until terminated by either party upon one (1) year's advance written notice; provided, however, that any such extended term shall be subject to the condition that the parties shall have reached

written agreement at least one (1) year prior to the then current expiration date of the Agreement as to the minimum and maximum quantities of Product to be produced in such extended Contract Year (e.g., if the term of the Agreement is to be extended for the calendar year 2001, the parties must agree on the minimum and maximum quantities by no later than December 31, 1999).

II. Quantities: BFG forecasts that it will require the following quantities of Product to be produced by Cedar hereunder in each of the Contract Years during the Extended Term hereof as follows:

1998 - 8,250,000 pounds

1999 - Between 7,000,000 and 10,000,000 pounds

2000 - Between 7,000,000 and 12,000,000 pounds

During the Extended Term, Cedar shall produce Product meeting the specifications attached hereto as Exhibit A (hereinafter "Product") at its Facility from Raw Materials supplied by BFG and BFG shall order its entire requirements of Product from Cedar (except for any quantities produced by BFG in its own facilities or if volumes required by BFG exceed Cedar's capabilities to produce such quantities within the periods specified herein, provided that Cedar shall nevertheless have a first right of refusal to supply such additional quantities) and shall pay Cedar for its services hereunder, all in accordance with the terms and conditions of the Agreement, except to the extent that such terms and conditions are expressly modified by this Amendment.

Subject to the terms and conditions hereof, BFG orders from Cedar and Cedar shall make its best efforts to manufacture for BFG in a single, uninterrupted production campaign, commencing on or about June 1, 1998 and concluding no earlier than October 1 and no later than November 1, 1998, 8,250,000 pounds of Product. In each subsequent Contract Year, Cedar shall reserve the Facility and manufacture Product for BFG hereunder in at least one (but no more than two) uninterrupted production campaign(s) totaling not more than six (6) months during each such Contract Year, commencing on or about the first day of May, 1999 in the second Contract Year and, in each subsequent Contract Year, commencing on such date or dates as the parties may agree, and continuing for such period or periods as shall be sufficient for Cedar to produce that quantity of Product ordered by BFG for production in such Contract Year, in each case consistent with those quantities forecast by BFG hereinabove. Cedar's undertaking to produce such quantities of Product for BFG in each such Contract Year is subject to its receipt of BFG's firm purchase order no later than the 31st of December of the immediately preceding Contract Year, and is further subject to the terms and conditions applicable to scheduling of production of Product hereunder set forth in Paragraph III of this Amendment. Cedar's obligations hereunder are also at all times conditional upon BFG's delivery of DCPD of sufficient quality and in sufficient quantities to enable Cedar to produce Product therefrom in uninterrupted campaigns, utilizing BFG's process and

in accordance with the conditions identified in Exhibit B attached hereto.

III. Scheduling: At the end of each of the first three calendar quarters during each Contract Year during the Extended Term, BFG will give Cedar its forecast range of the anticipated quantities of Product which it will require in the next succeeding Contract Year, and the date or dates on which it will require Cedar to initiate production campaigns during such Contract Year. The quantity of Product to be ordered by BFG for production in any Contract Year following the First Contract Year shall not vary by more than ten percent (10%) of the average (mid-point) of its third quarter forecast delivered to Cedar for such Contract Year, (e.g., if BFG's September 30, 1998 forecast for 1999 requirements is 7,000,000 to 10,000,000 pounds, its purchase order shall not be less than 7,650,000, nor more than 9,350,000 pounds.) Until such time as Cedar shall receive BFG's firm order for Product, Cedar shall be entitled to commit the Facility to the production of products for other customers to the extent such commitments would not interfere with the scheduling of production of Product in accordance with BFG's then current forecast, it being understood that the fees payable by BFG hereunder are based on Cedar's ability to utilize the Facility for production of products for other customers for at least six (6) months during each Contract Year. On or before December 31, 1998 and on or before December 31 of each subsequent Contract Year, BFG shall issue its firm purchase order for the exact quantity of Product to be manufactured by Cedar in

the succeeding Contract Year in accordance with the terms hereof, and immediately thereafter the parties shall discuss and agree upon the targeted start-up date or dates for such campaign(s), consistent with such other contractual commitments which Cedar shall have entered into with respect to production of products in the Facility for other customers, and consistent with BFG's forecast quantities and start-up dates, provided that such forecasts do not unreasonably impede Cedar's ability to utilize the Facility for other customers for not less than six (6) months during each Contract Year, as aforesaid.

IV. Process Changes And Equipment Modifications: Prior to start up of the 1998 production campaign, Cedar shall have employed and trained additional employees in order for it to satisfy the operational and maintenance requirements and conditions outlined in Exhibit B attached hereto and Cedar shall make its best efforts to ensure that the minimum number and experience level of operators as outlined in Exhibit D shall be maintained. Cedar shall also have implemented a capital improvement program at the Facility described in Exhibit C attached hereto, estimated to cost approximately \$400,000 (the "Capital Improvements"). The cost of the Capital Improvements to be installed by Cedar hereunder shall be documented and furnished to BFG by not later than June 1, 1998. Cedar's cost of implementing the Capital Improvements shall be amortized based on the estimated quantities of Product to be manufactured hereunder during the three (3) year Extended Term of this Agreement 26,250,000 pounds at an estimated rate of amortization of \$.015

(1.5 cents) per pound. In the event that the Agreement, as amended hereby, is terminated prior to December 31, 2,000 for any reason other than Cedar's breach of the terms hereof, BFG shall reimburse Cedar the unamortized cost of the Capital Improvements promptly following the effective date of such termination. Such reimbursement shall be in addition to any other fees, costs or damages to which Cedar may be entitled as a result of such termination.

V. Fees. In addition to the Plant preparation and clean-out fee of \$22,500 per production campaign, in each case payable by BFG to Cedar thirty (30) days following the end of each such campaign, Cedar shall invoice BFG monthly during such campaign, and BFG shall pay within thirty (30) days of date of invoice an interim conversion fee of \$15,000 per day for each twenty-four (24) hour Production Day. A Production Day shall be any day on which Cedar has scheduled production of Product ordered by BFG in accordance with the terms hereof. Subject to BFG's compliance with its obligations hereunder, and subject to the conditions set forth in Exhibit B attached hereto, it is agreed that the final conversion fees payable by BFG hereunder in any Contract Year shall be \$.25 per pound for Product produced in any Campaign at a rate of less than 60,000 pounds per day and \$.20 per pound for Product produced in any Campaign at a rate of more than 75,000 pounds per day, it being agreed that, in no event will the conversion fee exceed \$.25 or be less than \$.20 per pound of Product produced for BFG in such Contract Year. The parties shall determine the amount of any

required adjustments to the interim conversion fees and shall make final payment and settlement of the final conversion fees due hereunder within thirty (30) days following the end of the production campaign in the First Contract Year and within thirty (30) days following the end of each production campaign in any subsequent Contract Year in which the conversion fee is based on a per diem rather than a per pound price. It is also agreed that, at BFG's election at the time it places its firm order for Product to be produced in any Contract Year following the first Contract Year, the final conversion fee shall be based on a unit cost per pound of Product equal to the actual calculated unit cost of Product produced hereunder in the immediately preceding Contract Year, but in no event less than twenty cents (\$.20) per pound. Such unit cost conversion fee shall be determined by dividing the total number of pounds of Product produced in the immediately preceding Contract Year into the aggregate conversion fees paid during such Contract Year. Such unit cost conversion fee so elected by BFG shall be the maximum conversion fee payable by BFG in the subsequent Contract Year, subject to compliance with the conditions imposed upon BFG set forth in Exhibit B attached hereto. The applicability of unit cost conversion fees in lieu of per diem fees is conditional upon BFG's continued compliance with its obligations hereunder and subject to the conditions set forth in Exhibit B attached hereto. It is further agreed that Cedar with the cooperation of BFG shall make its best efforts to reduce the conversion fees payable by BFG for Product produced hereunder below

\$.25 per pound, provided that, anything else herein to the contrary notwithstanding, Cedar's unit cost conversion fee shall in no event be less than \$.20 per pound of Product. The said per diem conversion fee, the minimum and maximum unit conversion fees and the Plant preparation and clean-up fee payable by BFG hereunder during the 1998 Contract Year shall escalate or de-escalate in each subsequent Contract Year hereunder in accordance with the formula set forth in Paragraph IV of the First Amendment to the Agreement dated as of July 2, 1992, except that the base rates applicable to the average hourly rate for Plant employees; electric rate; gas rate; and consumer price index shall be those in effect as of October 1, 1997, as compared to said rates in effect as of October 1 of each succeeding Contract Year. The provisions of Article V Fees of this Second Amendment supersede in their entirety the provisions of Article IV of the original Agreement and Articles IV and V of the First Amendment thereto.

VI. Other. Except to the extent set forth in this Amendment, the terms and provisions of the Agreement shall continue in full force and effect during the Extended Term.

EXECUTED by the parties as of the date first above appearing.

THE B. F. GOODRICH COMPANY

BY: *[Signature]*

DATE: *2/11/98*

CEDAR CHEMICAL CORPORATION

BY: *[Signature]*

DATE: *January 30, 1998*

TOLL CONTRACTOR
MANUFACTURING OPERATIONS AND QUALITY SYSTEMS
SAFETY, HEALTH, AND ENVIRONMENTAL SURVEY
FOR THE SPECIALTY POLYMERS AND CHEMICALS DIVISION
of THE BFGOODRICH COMPANY

I. COMPANY ORGANIZATION

A. Plant Information

Name _____

Address _____

Telephone _____

Major Operations Carried Out at This Site

Facility Size (Area) _____

PLANT MAP

Area Surrounding Plant

Industrial Commercial Residential Remote (Circle All That Apply)

Housing Within 500 ft. 1/4 mi. 1/2 mi. 1 mi. or more (Circle)

B. Management Staff (*who is responsible for*)

Plant Mgr. _____ Safety _____

Production _____ Environmental _____

Engineering _____ Industrial Hygiene _____

Quality Control _____ Medical _____

D. Enrollment

Permanent (Operations and Staff) _____

Contract Employees _____

C. Union Yes _____ No _____

If Yes, Name _____

E. Personnel Records System

Work History Yes _____ No _____

Attendance Yes _____ No _____

Medical Occupational
Injury & Illness Yes _____ No _____

If Yes Complete the Following

	Number of Cases/Year	Rate per 200,000 Man-Hours Worked	Year
Total Recordable Injuries & Illnesses	_____	_____	_____
Lost Workday Cases	_____	_____	_____
Fatalities	_____	_____	_____

F. Government Agency and Insurance Surveys and Inspections

A. Workers Compensation Insurance Carrier _____

Date of Last Insurance Inspection _____

B. Fire Protection Insurance Carrier _____

Date of Last Insurance Inspection _____

C. Government Occupational Safety and Health Agency _____

Date of Last inspection _____

Citations/Recommendations Issued _____

D. State or Local Environmental Protection Agency _____

Date of Last inspection _____

Citations/Recommendations Issued _____

II. MANUFACTURING PROCESS INFORMATION

A. Describe Process Equipment for BFGoodrich Contract
(Include simple flow diagram with key equipment list)

B. Is Process Equipment Existing Yes _____ No _____

If No. Calendar Days to Complete Equipment Installation _____

C. Equipment to be dedicated for BFGoodrich Process
Yes _____ No _____

If No, Describe Clean-up/Inspection Process to Prepare for BFGoodrich Product Run

D. Describe Storage and Handling Systems for Major Raw Materials and Intermediates

E. List All Chemicals That Will be New to Your Operations.
List Any MSDS's Required

F. For BFGoodrich Supplied Materials Will You Store Separate From Your Materials Yes No

G. Is Process Computer Operated Yes _____ No _____

If No, Describe Operations Controls and Process Monitoring Systems

III. EMPLOYEE HEALTH PROTECTION

A. Emergency Medical Service

In Plant Yes _____ No _____

If Yes, Describe _____

Community Hospital _____

Distance from Contractor Site _____

Ambulance Service Available Yes _____ No _____

B. Medical Surveillance

Employee Medical Coverage Provided Yes _____ No _____

If Yes, Name of Provider _____

Preemployment Physicals Yes _____ No _____

Periodic Physicals Yes _____ No _____

If Yes, Frequency _____

C. Employee Facilities

Toilets Yes _____ No _____ If Yes, Condition _____

Locker Rooms Yes _____ No _____ If Yes, Condition _____

Shower Room Yes _____ No _____

If Yes, is Showering Voluntary _____ Required _____

Lunch Room Yes _____ No _____ If Yes, Condition _____

Is Eating Area Separate From Operations Area Yes _____ No _____

D. Employee Hazard Communication and Training

MSDSs Available to Workers in Work Area Yes _____ No _____

Written Hazard Communication Program Yes _____ No _____

Hazardous Materials Training Yes _____ No _____

Hazardous Materials Properly Labeled Yes _____ No _____

E. Personal Protective Equipment and Clothing

	<u>None</u>	<u>Available</u>	<u>Required</u>	<u>Comments</u>
Safety Glasses	_____	_____	_____	_____
Splash Goggles	_____	_____	_____	_____
Face Shield	_____	_____	_____	_____
Hard Hat	_____	_____	_____	_____
Safety Shoes	_____	_____	_____	_____
Hearing Protection	_____	_____	_____	_____
Industrial Gloves	_____	_____	_____	_____
Impervious Clothing	_____	_____	_____	_____
Company Work Clothing	_____	_____	_____	_____
Respirators	_____	_____	_____	_____

Respirator Program in Place Yes No

Describe Program _____

F. Industrial Hygiene Monitoring

Agents Monitored _____

By Whom _____

Summary of Results _____

G. Workplace Survey for Health Hazards Associated with BFGoodrich Work

List Potential Hazards and Control Measures to be Installed

IV. SAFETY

A. Management Safety Program	<u>Yes</u>	<u>No</u>	<u>Comments</u>
Management Support and Interest	_____	_____	_____
Written Safety Policies	_____	_____	_____
Written Safety Procedures	_____	_____	_____
Employee Training and Certification	_____	_____	_____
Safety Meeting	_____	_____	_____
Safety Systems Audits/Inspections	_____	_____	_____
Safety Promotional Programs	_____	_____	_____

B. Potential for Explosion or Fire
(Detail Equipment Design Requirements, Safety Control Systems,
Flammable and Combustible Liquids Storage and Handling,
Extinguishers, etc.)

C. Describe System to Review Safety and Check Compatibility of New
Chemicals With Existing Processes and Approve New Chemical Usage

D. Fire Protection System Inspected Yes _____ No _____
If Yes, Inspection Frequency _____ By Whom _____

E. Safety Hazards Associated with Material Handling Systems

F. Condition of Aisles, Stairways, Working Surfaces

G. Protection From Rotating Machinery Hazards, Electrical Shock

H. Electrical Wiring and Equipment Adequate for Area (Classification)

I. Adequacy of Lighting

J. Heating and General Ventilation

K. Major Accident Protection Programs

Emergency Response Planning Yes No

Shutdown/Evacuation Planning Yes No

Fire/Gas Release Alarms Yes No

Local Fire Department Trained in Plant Hazard Control
 Yes No

If Yes, Fire Department Response Time

V ENVIRONMENTAL PROTECTION

A. Management

Knowledge of Requirements Yes No

Comments

Clear Assignment of Responsibility for Environmental Issues
 Yes No

B. General

List Wastes Generated from BFGoodrich Production and Describe
Disposal Methods for Each (Solids, Liquids, Containers, Vapors)

List Wastes Regulated Under Governmental Hazardous Waste Rules such
as RCRA or Superfund

C. Waste Disposal Systems Plantwide for Solids Waste
(Including Empty Containers)

Waste Disposal Company(s) Used

Has Company been SHE Reviewed Yes _____ No _____

If Yes, When _____ By Whom _____

Waste Storage Area (Describe) _____

Status of Solid Waste/RCRA Permits _____

EPA Generator ID # _____

Transporter ID # _____

Treatment/Disposal/Storage ID # _____

Liquids Disposal Methods _____

D. Tank Farms, Storage Tanks, Underground Storage Tanks
Describe Containment Systems/Controls for Bulk Liquid Storage Areas

E. Railroad Car or Truck Unloading

If Provided, are They Designed to Contain Spills
Yes _____ No _____

If Yes. Type of Containment _____

F. Streams, Rivers, and Open Public Water Systems Near Plant

Route of Plant Process Liquid Effluent

G. Prevailing Wind Direction, Distance to Nearest Neighbors

H. Complaints by Neighbors or Officials, Violations

I. BFGoodrich Container and Drum Disposal Methods

J. Spills and Process Upsets

Evidence of Spillage Yes _____ No _____

If Yes, Describe _____

Spill Containment Systems _____

Spill Reporting Procedure Yes _____ No _____

K. Air Emission Measurements

Emissions Monitored _____

By Whom _____

Results Available Yes _____ No _____

Emission Permits _____

L. Liquid Effluent Permits and Monitoring

Allowable Discharge Limits _____

Effluent Permits _____

Effluent Monitored _____

By Whom _____

Results Available Yes _____ No _____ Comments _____

M. Lagoons, Pits, Disposal Wells

List if Applicable _____

Monitoring Wells _____

Regulatory Status _____

N. Groundwater

Is Site Ground or Ground Water Contaminated _____

Is This a Superfund Site or Potential Superfund Site _____

O. On Site Disposal Facilities

Any Used in the Past _____

Any Still in Use _____ Status _____

Closure Operations _____